

## Article - Alcoholic Beverages

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§5–201.

(a) (1) In this section the following words have the meanings indicated.

(2) “Agreement” means oral or written evidence between a beer manufacturer and a beer wholesaler granting the beer wholesaler the right to offer and sell the brands of beer offered by the beer manufacturer.

(3) “Beer manufacturer” means:

(i) a brewer, fermenter, processor, bottler, or packager of beer located in or outside the State; or

(ii) a person located in or outside the State that enters into an agreement with a beer wholesaler doing business in the State.

(4) “Fair market value” means the price at which an asset would change hands between a willing seller and a willing buyer when neither is acting under any compulsion and when both have knowledge of all of the relevant facts.

(5) “Successor beer manufacturer” includes a person or license holder who replaces a beer manufacturer with the right to sell, distribute, or import a brand of beer.

(b) Except for the discontinuance of a brand of beer or for good cause shown as provided under § 5–108 of this title, a successor beer manufacturer that continues in the business is obligated under all the terms and conditions of the agreement made between the previous beer manufacturer and the existing beer wholesaler that were in effect on the date of change of beer manufacturers.

(c) A successor beer manufacturer that terminates any agreement provision required to be continued under subsection (b) of this section shall remunerate the beer wholesaler a sum equal to the fair market value for the sale of the subject brand or brands of beer calculated from the date of termination.

(d) (1) Before a successor beer manufacturer may terminate any agreement provision required to be continued under subsection (b) of this section and designate another beer wholesaler to replace the existing beer wholesaler, the successor beer manufacturer shall give notice of termination to the beer wholesaler to be replaced.

(2) On receipt of the notice, the beer wholesaler to be replaced and the designated beer wholesaler shall negotiate in good faith to determine the fair market value of the affected distribution rights.

(3) If an agreement is reached, the designated beer wholesaler promptly shall pay the fair market value as compensation to the beer wholesaler to be replaced.

(4) If an agreement is not reached within 30 days after the beer wholesaler to be replaced receives notice, the designated beer wholesaler and the beer wholesaler to be replaced shall enter into nonbinding mediation with a mediator in the State who practices in accordance with Title 17 of the Maryland Rules.

(5) If an agreement is not reached within 45 days after mediation begins, the beer wholesaler to be replaced shall within 90 days bring an action in a court of general jurisdiction against a successor beer manufacturer to determine and award fair market value of the terminated brand or brands.

(e) Until resolution regarding fair market value is reached under subsection (d) of this section and the beer wholesaler to be replaced has received payment in accordance with the determination of fair market value:

(1) the beer wholesaler to be replaced and the successor beer manufacturer shall support the brand to at least the same extent that the brand had been previously supported immediately before the successor beer manufacturer acquired rights to the brand; and

(2) the beer wholesaler to be replaced shall continue to distribute the brand.

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